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SIPDIS

DEPT FOR NEA/MAG, NEA/PI AND INL/AEE  
DEPT ALSO FOR EB/TPP, EB/IFD AND DRL/IL  
STATE PASS USTR FOR DOUG BELL  
STATE PASS USAID FOR SARA BORODIN  
USDOC ITA/MAC/ANESA FOR DAVID ROTH  
USDOC FOR FSC/OIO AND CLDP  
USDOL FOR ILAB, NAO AND KARESH  
PARIS FOR ZEYA  
LONDON FOR GOLDRICH  
ROME FOR ROSE

E.O. 12958: N/A

TAGS: [ECON](#) [PBTS](#) [EPET](#) [ENRG](#) [ELTN](#) [MO](#) [MOROCCO](#) [ECONOMIC](#) [HIGHLIGHTS](#)  
SUBJECT: MOROCCO ECONOMIC HIGHLIGHTS

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Border Opening Soon?  
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[1](#). A flurry of construction near key Morocco-Algeria border points is leading to speculation that the border will be opened as early as the end of May. Algerian Minister of Agriculture Said Barkat paid an official visit to Morocco last month, visiting Morocco's locust control center in Agadir and discussing cooperative strategies for combating the scourge that affected West and North Africa last year. He also traveled to Touroudant in the anti-Atlas to tour a fresh vegetable and fruit production center. Algeria hopes to profit from Moroccan expertise in growing and preparing temperate fruits, citrus, and vegetables for export.

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Two U.S. Oil Companies Get Drilling License in Morocco  
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[2](#). Morocco granted onshore oil drilling licenses to two U.S. companies last month to conduct evaluation of the oil potential in the northeastern coastal region of Asilah-Tissa. The contract was signed between the Moroccan National Office of Hydrocarbons and Mines (ONHYM) and "Direct Petroleum Morocco Inc" and "Anschutz Morocco Corporation" of the United States, giving the two firms exclusive onshore drilling rights in Asilah-Tissa region during the 12-month duration of the contract. Morocco has so far signed 15 offshore and onshore drilling contracts with foreign companies, including with other U.S. firms, though no major deposits have been found.

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Tourist Arrivals up, But Not Among Americans  
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[3](#). The number of foreign tourists coming to Morocco rose by six percent in the first quarter of 2005 compared to the same period in 2004. Most tourists came from western Europe, with the French leading the pack with 280,000 arrivals, followed by Spaniards (80,000), Britons (40,000), Germans (37,000), Belgians and Italians (27,000 each). Meanwhile, the number of American arrivals fell by three percent over the same period. Morocco received 5.2 million tourists in 2004, 16 percent more than the year previous. Marrakech was the most chosen destination, followed by Agadir, Casablanca, Fes and Rabat.

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Remittances up 24 percent  
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[4](#). Remittances from Moroccan expatriates jumped by 25 percent in the first quarter of 2005 to reach nearly \$1 billion. The average recorded during the period 2000-2004 for first quarter remittances was \$820. Remittances are the nation's top foreign exchange earner.

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GOM Raises Fuel Prices  
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[5](#). The state-set price of gasoline and other petroleum products was increased nationwide on May 16. Prices rose between five and 24 percent, depending on the product. Gasoline went up 5.3 percent to \$1.12 per liter, and diesel rose eight percent to \$0.73 a liter. The GOM said the move was due to persistent high world oil prices. Morocco imported \$530 million worth of oil in the first quarter of 2005, a 51 percent increase over the same period last year. Though the increase wasn't all due to prices, as the volume of Morocco's crude oil imports increased by 15.4 percent. The high cost of crude is expected to worsen the

government's budget deficit this year by \$740 million. Morocco has no appreciable oil resources and satisfies most of its needs through imports. In 2004, the country imported six million tons of crude oil for \$1.7 billion.

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GOM to Cancel Debt of 100,000 Farmers  
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16. The GOM will cancel the outstanding debt of some 100,000 small farmers amounting to \$350 million. The debt cancellation is intended to mitigate the effects of the current poor agricultural season. Tarik Sijelmassi, chairman of the executive board of "Crdit Agricole du Maroc," said only small farmers are eligible for debt cancellation, while other farmers hit by the bad season will benefit from cancellation of overdue interest payback and various fines.

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Under the Knife  
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17. Plastic surgery is attracting a growing number of foreign clientele to Morocco, a TV magazine reported. According to "Echoeco," which interviewed European women who came to Morocco to be operated on, cosmetic surgery is attracting foreigners through a competitive package of good post-operation care and competent practitioners. There are 40 plastic surgeons in Morocco, performing an annual average of 80 to 100 operations each. Eighty percent of their clients are women. Most of the operations performed in Morocco are relatively minor ones that do not require a long post-operation follow-up, such as mammoplasty, liposuction and hair transplant.